



Are People Loco for the New Four Loko?

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PURPOSE

Four Loko is one of three products created by Phusion Projects, LLC. It is a successful small business founded five years ago. It has since grown into a thriving national company, with its products being sold in more than 45 states. The company was founded in 2005 by three friends that met while in school at The Ohio State University.

In November of 2010, the Food and Drug Administration forced Phusion Projects to remove caffeine from Four Loko. The ban was based on scientific studies which concluded that energy drinks combined with alcohol give people the feeling that they are less intoxicated than they are. While consumers may enjoy this feature, politicians and researchers felt this was grounds to ban the product. Many were afraid this feature will cause more drinking causing a higher blood alcohol level and the dangers that come with it.

Monitoring social media relating to Four Loko is beneficial to Phusion Projects. Customer feedback is essential and tracking what makes consumers satisfied with the product, especially with the recent changes that Four Loko has undergone.



METHODOLOGY

We were able to track several social media websites. We utilized Facebook, Twitter, Blogpulse, Google Alerts, Technorati, Quantcast, WordPress, Addictomatic, Youtube and Google. The information we gathered ranged from late 2009 until February 2011. We found these sites by using what we've learned in previous public relations classes and common knowledge.

Credibility of our sources was determined using sites such as Technorati and Quantcast. We also determined how active a social network user was by looking at the amount of friends or followers they had and how many tweets they had. We also looked at how many followers or fans certain pages had acquired. We chose blogs that chose blogs that had not only a strong American following but a substantial international base.



RESULTS

While we determined that consumers enjoyed the original formula of Four Loko, they did not readily welcome the redesigned, caffeine-less version. Consumers claimed that the new formula had a distinctly different taste. We even found that many people were attempting to find ways to recreate the old version because they liked the effects it had on them more than the energy-free Four Loko. Several videos have been posted on sites such as Youtube showcasing home recipes.

The reformulated project was introduced after a November 2010 ban on the products energy components. Prior to the ban, most feedback was strongly positive. After the ban, however, positive feedback came from blogs commonly written and viewed by an older crowd. The target market, which appears to be a younger, rowdier crowd, disliked both the new formula and the ban. Comments on social networking sites such as “they don’t taste like they used to” and “people still drink Lokos? Ew.” gave us the impression that consumers were no longer happy with Four Loko.

Despite consumers not being in favor of the new taste of Four Loko, they still expressed favorable comments towards the inexpensive price. Since this product is usually marketed towards younger people of legal drinking age, this product’s price point fits in well with their budgets and keeps consumers coming back despite complaints about the newer formula.

Even with allegations of student deaths where Four Loko was involved, many people of different ages felt that responsibility was necessary while consuming the product. Comments on blogs such as “Anytime you use any substance it is at your own risk.” suggested that people felt the deaths were due to misuse of the product and remained loyal to it, even after the ban. Many felt that this even deemed the ban unnecessary.

People that are in support of the ban are still unhappy that Four Lokos continue to be a popular choice of alcoholic beverage that they feel is strongly targeted towards college students and underage drinkers. This is determined by conversations in various blogs and tweets.



CONCLUSION

Overall, the “improved” Four Loko is not as welcomed by long time consumers of the product as the previous formula. Consumers enjoyed the taste and effects more when the product still contained guarana and taurine, making it an energy drink. Due to the low price, consumers continue to buy the product because they feel they get more for their money.

Suggestions for the company would be to improve the taste of the current formula and reestablish their credibility by conducting experiments, proving that the new formula has less health risks than its predecessor.